India as Global Textile Hub

298. SHRIMATI N.P. DURGA: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that post quota regime help India to become a global textile hub;

(b) if so, how this dream of India will become a reality;

(c) whether any steps Government have taken to make this dream a reality; and

(d) what is the investment made by the Indian majors in the textile, sector over the last five years; year-wise?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) and (b) The free global trading regime would result in increased international trade in textiles thus providing greater export opportunities for the indigenous textile industry. At the same time, it will expose the domestic industry to increased competition in the international market. The industry will have to improve its efficiency and productivity to meet the emerging global competition.

According to a recent study by CRISIL (commissioned by Indian Cotton Mills Federation), the India's textile and clothing industry has the potential to attain export earnings of US$ 40 billion by 2010.

(c) Government has been taking a number of steps from time to time to strengthen the Indian textile industry, including cotton industry to meet the emerging global competition. Some of the important initiatives taken are:

(i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

(ii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures. This further encourages modernisation.

(iii) With a view to making fabric production competitive, the custom duty on shuttleless looms has been brought from 15% to 5%.

(iv) To improve the productivity and quality of cotton, Government has launched Technology Mission on Cotton (TMC). The mission comprises four mini-missions, which are being jointly implemented by the Ministry of Agriculture and Ministry of Textiles. One of the important ingredients of the Mission is to cotton processing facilities by upgrading/modernizing the existing ginning and pressing facilities and setting up of new market yards/improvement of existing market yards.

(v) The Government has launched a centrally sponsored scheme titled "Apparel Park for Export Scheme" for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres to give fillip to exports.

(vi) For upgrading infrastructure facilities at important textile centres, a scheme titled "Textile Centre Infrastructure Development Scheme" (TCIDS) has been launched.

Besides, to prepare domestic textile industry, for meeting the growing global competition, the following important announcements have been made in the Union Budget 2004-05:

* Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain including cotton textile and cotton clothing items have been given excise exemption option.

* Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.

* Basic customs duty on various textile machinery and spare parts has been reduced to 5%

(d) The data regarding investments at company level is not centrally maintained. However, the details of application received and amount disbursed under Technology Upgradation Fund Scheme (TUFS) during each of the last five years and current year is given below:

(Rs. Crore)

Year	Applications received		Application sanctioned		Applications disbursed	
	No.	Cost of project	No.	Amount	No.	Amount
1999-2000	407	5771	309	2421	179	746
2000-2001	719	6296	616	2090	494	1863
2001-2002	472	1900	444	630	401	804
2002-2003	494	1835	456	839	411	931
2003-2004	867	3356	884	1341	814	856
2004-2005 (upto 31.12.04	798	5982	804	2218	654	1320
TOTAL	3757	25140	3513	9538	2953	6519

Promotion of Textiles Industry

299. SHRI B.J. PANDA: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that Prime Minister has issued direction to the Textile ministry for preparing a strategy outlining the measures needed to attract investment, generation of employment and boosting of exports etc.;

(b) if so, the details thereof;

(c) whether Government have worked out certain action plan to prepare the sector for post-quota regime; and

(d) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) and (b) The Government had reviewed the peparedness of the Indian Textiles industry to meet the challenges in post MFA period and, *inter alia*, the following decisions were taken:

* Formulation of a strategy to create 12 million jobs in the textiles sector;